

**THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF TUCSON,
ARIZONA**

**Legal Action Report of the Regular Meeting
of the Board of Directors**

February 12, 2015

3:00 P.M.

at the

Ward VI Council Offices - Community Room
3202 East First Street
Tucson, Arizona 85719

Present:	Board Members	Marilyn Robinson Gary Bachman Emily Nottingham Judy Clinco (left 5:20 p.m.) Evelia Martinez (arrived 3:06 p.m. / left 5:00 p.m.) Adam Weinstein (arrived at 3:35 p.m.)
	Staff	Charles Lotzar, Lotzar Law Firm, PC Gary Molenda, Business Development Finance Corporation Karen Valdez, Business Development Finance Corporation
	Guests	Camila Martins-Bekat, City of Tucson Scott Riffle, George K. Baum & Company Mike Rebro, El Presidio Neighborhood Association Wiley C - El Presidio Neighborhood Association Richard Marschner - El Presidio Neighborhood Association Ken Scoville - El Presidio Neighborhood Association Susan Gamble - El Presidio Neighborhood Association / WAMO Corky Poster - Poster Frost Mirto
	Absent	Larry Lucero

The Regular Meeting of the Board of Directors of The Industrial Development Authority of the City of Tucson, Arizona (the “**Authority**”) was held on **February 12, 2015**, at the Ward VI Council Office - East Conference Room, 3202 E. First Street, Tucson, Arizona. All Authority’s Board Members and the general public were duly notified of the meeting. C. Lotzar had informed the Authority’s Board of Directors that Arizona’s Open Meeting Laws allow for members of the Authority’s Board of Directors and legal counsel to appear and participate in the meeting telephonically so long as all participants in the meeting can hear and be heard.

ITEM	ACTION TAKEN/TO BE TAKEN
1. Call to Order The meeting was called to order by Marilyn Robinson, with a quorum present.	The meeting was called to order at 3:03 p.m.
2. Request for resolution to approve the minutes of the Special Meeting of January 15, 2015.	A MOTION was made and seconded (E. Nottingham / J. Clinco) to approve the meeting minutes of the January 15, 2015 special meeting. Approved 4-0.
3. Request for resolution to approve the payment of invoices and the notification of items to be paid on the Authority’s behalf by third parties.	A MOTION was made and seconded (G. Bachman / E. Nottingham) to approve payment of invoices and notification of

	items to be paid as presented. Approved 5-0.
<p>4. Status report from the Liaison to City of Tucson, Arizona City Manager's Office related to:</p> <ul style="list-style-type: none"> a) The City's Economic Development Prospect list b) The City's use of the Tucson Community Development Loan Fund aka the HUD Section 108 Loan Program c) The City's use of HOME Funds d) The City's use of its 21 Economic Development tools e) Current items of interest 	No action taken
5. Status report related to 450 N. Main Avenue related to a Sale & Development Agreement with the City of Tucson, Arizona and request for resolution for any actions related thereto.	No action taken
6. \$15,000,000 The Industrial Development Authority of The County of Pima and The Industrial Development Authority of The City of Tucson, Arizona Revolving Taxable Single Family Mortgage Loan Program of 2012 (Pima Tucson Homebuyer's Solution) - Status report related to new loan product and the ability to use FHLB and FNMA mortgage-backed securities and request for resolution authorizing (a) an increase in the Program Size Limit to \$40,000,000 (b) an Amended & Restated Master Mortgage-Backed Security Agreement, (c) Amended & Restated Lender Agreement, (d) Amended & Restated Standards & Requirements, (e) Amended & Restated Intergovernmental Agreement, and (f) a revised form of Homebuyer Certification and Affidavit.	A MOTION was made and seconded (E. Martinez / E. Nottingham) to approve the form of Resolution authorizing all items presented for approval. Approved 5-0.
7. Status report related to potential settlement with Bank of America, N.A. and / or Countrywide Home Loans, Inc. related to prior Single Family Mortgage Revenue Bonds programs issued in 2006 and 2007 and request for resolution related thereto. Pursuant to Arizona Revised Statutes Section 38-431.03(A)(1)(3) and/or (4), the Board may vote to recess and meet in executive session for the purpose of discussion or consultation with and to provide direction to the Board's legal counsel in connection with this item. Any action taken by the Board regarding this matter will be taken in open meeting session (either at this meeting or at a later date) after the adjournment of the executive session.	No action taken
8. Status report related to proposed interpretations and/or amendments to Arizona's Industrial Development Financing Act, allocation of Private Activity Bonding Act, or other state legislation affecting the Authority's affairs and request for resolution related thereto.	No action taken
9. Request for resolution authorizing either renewal of the Authority's Public Officials' & Officers' liability insurance or the acquisition of similar coverage from another carrier.	No action taken
10. Status report related to the participation loan to the Arizona Theater Company and request for resolution related to a covenant waiver.	A MOTION was made and seconded (E. Nottingham / E. Martinez) to approve extension of the submittal date for audited financial statements to March 15, 2015. Approved 6-0.
11. Status report by the Authority's Advisor concerning the Authority's financial performance through the Authority's second fiscal quarter ending December 31, 2014.	No action taken
12. Status report related to the expiration of terms of various members of the Authority's Board of Directors and request for resolution to forward	A MOTION was made and seconded (E. Martinez / J. Clinco)

recommendations to the City Manager for appointment by the Mayor & Council.	authorizing a letter to be forwarded to the City Manager recommending reappointment of terms for A. Weinstein, E. Nottingham, and L. Lucero. Approved 6-0.
13. Status report related to sponsorship request received from Tucson Metro Chamber for the State of the City to be held March 6, 2015 at JW Marriott Starr Pass, Tucson, Arizona and request for resolution for any action related thereto.	A MOTION was made and seconded (E. Nottingham / E. Martinez) to approve sponsorship at the Notable level for the State of the City to be held March 6, 2015. Approved 6-0.
<p>14. Staff Reports:</p> <p>Monthly Staff Report for the month ending January 31, 2015</p> <p>a. General Operations of the Authority:</p> <ul style="list-style-type: none"> i. Parking Lot Financial Statements prepared by Pueblo Parking Systems, LLC (“PPS”) ii. Bond Borrower’s payment of Administrative Fees iii. Cash Management iv. Loan Servicing v. Loan Origination vi. 450 N. Main Street <p>b. Updates:</p> <ul style="list-style-type: none"> i. Federal legislation ii. Arizona legislation <p>c. Outstanding Single Family Programs:</p> <ul style="list-style-type: none"> i. Mortgage Revenue Programs that have completed the Origination Period: <ul style="list-style-type: none"> A. Series 2006 (Joint) - \$30,475,000- 1st Mortgage Loan Interest Rate 5.97% - Final Redemption of Senior Bonds July 28, 2014 - CUSIP No. 89873QAB5 Subordinate (approximately \$149,000 - 7% 2nd Mortgage Loans are tied to the Subordinate Bonds of approximately \$820,000) . B. Series 2007A (Joint) - \$23,400,000- 1st Mortgage Loan Interest Rate 5.69% - Final Redemption of Senior Bonds July 28, 2014 CUSIP No. 89873QAE9 Subordinate (approximately \$168,000 - 7% 2nd Mortgage Loans are tied to Subordinate Bonds of approximately \$135,000). C. Series 2008 (Joint) - \$30,000,000- Mortgage Loan Interest Rate 5.89% - Term Bonds CUSIP Nos. 898700FH7, 898700FJ3, 898700FK0 and PAC Bonds CUSIP No. 898700FL8 (approximately \$7,565,000 outstanding). D. Restructuring Opportunities and past results. 	No action taken

<p>ii. Mortgage Credit Certificate Program that is in the Origination Period – 2014 in the amount of \$5,000,000 formed on January 2, 2014 - Origination Period expired December 31, 2016.</p> <p>iii. \$15,000,000 The Industrial Development Authority of The County of Pima and The Industrial Development Authority of The City of Tucson, Arizona Revolving Taxable Single Family Mortgage Loan Program of 2012 (Pima Tucson Homebuyers Solution) – Program commenced on December 17, 2012 and unless extended expires on December 31, 2016 - over \$111,330,000 in mortgage-backed securities sold with over \$4,441,000 of down payment assistance granted to homebuyers.</p>	
<p>15. Status report related to the Infill Incentive District (“IID”) process related to the potential development of Block 174 and /or Block 175 and request for resolution for any actions related thereto. <i>Pursuant to Arizona Revised Statutes Section 38-431.03(A)(1)(3) and/or (4), the Board may vote to recess and meet in executive session for the purpose of discussion or consultation with and to provide direction to the Board’s legal counsel in connection with this item. Any action taken by the Board regarding this matter will be taken in open meeting session (either at this meeting or at a later date) after the adjournment of the executive session.</i></p>	<p>No action taken</p>
<p>16. Status Report related to development of the Request for Qualifications/Request for Proposal (“RFQ/RFP”) or other process related to the potential development of Block 174 and/or Block 175 and request for resolution for any actions related thereto. <i>Pursuant to Arizona Revised Statutes Section 38-431.03(A)(1)(3) and/or (4), the Board may vote to recess and meet in executive session for the purpose of discussion or consultation with and to provide direction to the Board’s legal counsel in connection with this item. Any action taken by the Board regarding this matter will be taken in open meeting session (either at this meeting or at a later date) after the adjournment of the executive session.</i></p>	<p>A MOTION was made and seconded (A. Weinstein / G. Bachman) to adjourn the regular meeting at 5:18 p.m. to go into Executive Session. Approved 5-0.</p> <p>Resumed Regular Session at 5:30 p.m.</p> <p>No action taken</p>
<p>17. President’s Report: Brief Summary of current events, including items brought to the Presidents attention or matters that required handling by the president since the last meeting.</p> <ul style="list-style-type: none"> • Opinion article for the Arizona Daily Star • Status of match contributions related to Christopher Franklin Carroll Centennial Park 	<p>No action taken</p>
<p>18. Call to the audience</p> <p>There was no one in the audience who wished to address the Authority.</p>	<p>No action taken</p>
<p>19. Adjourn</p>	<p>A MOTION was made and seconded (G. Bachman / A. Weinstein) to adjourn meeting. Approved 4-0.</p> <p>Meeting was adjourned at 5:35 p.m.</p>

Submitted by:
Karen J. Valdez
Business Development Finance Corporation

Approved by:
Marilyn Robinson, President
The Industrial Development Authority of the
City of Tucson, Arizona